but is by no means in the interests of the country as a whole, or of the taxpayers who now and hereafter have to find the money for paying for the war. In so far as the war's needs have to be met abroad, borrowing abroad is to some extent inevitable if the borrowing nation has, not the necessary resources and labour available to turn out goods for export to exchange against those which have to be purchased abroad, but in so far as the war's needs are financed at home, the policy of borrowing is one that should only be used within the narrowest possible limits. By its means the Government, instead of making the citizens pay by taxation for the war as it goes on, hires a certain number of them to pay for it by promising them a rate of interest, and their money back some day. The interest and the sinking fund for redemption have to be found by taxation, and so the borrowing process merely postpones taxation from the war period to the peace period. During the war period taxation can be raised comparatively easily owing to the patriotic stimulus and the simplification of the industrial problem which is provided by the Government's insatiable demand for commodities. When the days of peace return, however, there will be very grave disturbance and dislocation in industry, and it will have once more to face the problem of pro-

viding goods, not for a Government which will take all that it can get, but for a public, the demands of which will be uncertain, and whose buying power will be unevenly distributed, and difficult to calculate. The process, therefore, which postpones taxa-